

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

*In the Matter of:*

Andover Post Office  
Andover, IL 61233  
(Ron Peterson, Petitioner)

Docket No. A2012-43

**UNITED STATES POSTAL SERVICE COMMENTS REGARDING APPEAL**  
(December 22, 2011)

On October 28, 2011, the Postal Regulatory Commission (the "Commission") received an appeal postmarked October 20, 2011, from postal customer Mr. Ron Peterson ("Petitioner") objecting to the discontinuance of the Post Office at Andover, Illinois (the "Andover Post Office"). By means of Order No. 960, dated November 9, 2011, the Commission docketed the letter, assigning PRC Docket No. A2012-43 as an appeal pursuant to 39 U.S.C. § 404(d). In accordance with Order No. 960, the administrative record was filed with the Commission on November 15, 2011. The Postal Service filed an addendum to the administrative record on November 22, 2011. On November 28, 2011, Petitioner filed a Participant Statement in support of the petition. A second addendum to the administrative record is being filed concurrently with these comments.

The letter of appeal and Participant Statement raise three issues: (1) the impact on the provision of postal services, (2) the impact upon the Andover community, and (3) the calculation of economic savings expected to result from discontinuing the Andover Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave each of the three issues serious

consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,<sup>1</sup> the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Andover Post Office should be affirmed.

### **Background**

The Final Determination To Close the Andover, IL Post Office and Establish Service by Rural Route Service ("Final Determination" or "FD"),<sup>2</sup> as well as the administrative record, indicate that the Andover Post Office provides EAS-11 level service from 8:30 a.m. to 11:30 a.m. and 1:00 p.m. to 4:45 p.m. Monday through Friday, and from 8:30 a.m. to 9:45 a.m. Saturday, to 240 Post Office Box or general delivery customers and no delivery customers, with open lobby hours of 6:00 a.m. to 8:30 p.m. on Monday to Saturday.<sup>3</sup> The Postmaster of the Post Office retired on September 30, 2009.<sup>4</sup> Since the Postmaster vacancy arose, a non-career employee was installed as an officer-in-charge ("OIC") to operate the Post Office.<sup>5</sup> The employee serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign them to authorized positions at a nearby facility.<sup>6</sup> The average number of daily retail window transactions at the Post Office is 11, accounting for 10 minutes of retail workload

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<sup>1</sup> See 39 U.S.C. 404(d)(2)(A).

<sup>2</sup> The Final Determination can be found at Item 47 in the administrative record. All citations to the Final Determination will be to "FD at \_\_," rather than to Item 47. Other items in the administrative record are referred to as "Item \_\_."

<sup>3</sup> FD at 2; Item 18, Form 4920 at 1; Item 33, Proposal at 2.

<sup>4</sup> FD at 12; Item 33, Proposal at 12.

<sup>5</sup> *Id.*

<sup>6</sup> FD at 13; Item 33, Proposal at 12-13.

daily.<sup>7</sup> Revenue for the last three years has been low: \$43,176 in FY 2008; \$43,431 in FY 2009; and \$39,311 in FY 2010.<sup>8</sup>

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route service administered by the Lynn Center Post Office, an EAS-13 level office, located three miles away, which has 59 available Post Office Boxes.<sup>9</sup>

The Postal Service followed the proper procedures leading to the posting of the Final Determination.<sup>10</sup> All issues raised by the customers of the Andover Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Post Office.<sup>11</sup> Questionnaires were also available over the counter for retail customers at the Andover Post Office.<sup>12</sup> A letter from the Manager of Post Office Operations was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Andover Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Lynn Center Post Office.<sup>13</sup> The letter invited customers to

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<sup>7</sup> FD at 2; Item 33, Proposal at 2.

<sup>8</sup> FD at 4; Item 18, Form 4920; Item 33, Proposal at 5.

<sup>9</sup> FD at 2; Item 18, Form 4920; Item 33, Proposal at 2.

<sup>10</sup> This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

<sup>11</sup> Item 20, Questionnaire Instruction Letter.

<sup>12</sup> *Id.*

<sup>13</sup> Item 21, Cover Letter for Questionnaire.

complete and return a customer questionnaire and to express their opinions about the service that they were receiving and the effects of a possible change involving rural route delivery. One hundred and four customers returned questionnaires, and the Postal Service responded.<sup>14</sup> In addition, representatives from the Postal Service were available at the Augustana Lutheran Church for a community meeting on June 7, 2011, to answer questions and provide information to customers.<sup>15</sup> 147 customers attended.<sup>16</sup> Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Andover Post Office and the Lynn Center Post Office<sup>17</sup> for 60 days beginning July 7, 2011, and ending September 7, 2011.<sup>18</sup>

Four customers returned comments in response to the "Invitation for Comments" after the Proposal was posted.<sup>19</sup> The Postal Service addressed those concerns in letters to the customers.<sup>20</sup> The Final Determination was posted at the Andover and Lynn Center Post Offices beginning on October 17, 2011 and ending November 18, 2011.<sup>21</sup> In light of a Postmaster vacancy; minimal workload; low revenue; the variety of delivery and retail options (including the

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<sup>14</sup> Item 22, Returned Questionnaires and Postal Service Response Letters; Item 23, Analysis of Questionnaires.

<sup>15</sup> Item 24, Community Meeting Roster.

<sup>16</sup> Item 24, Community Meeting Roster; Item 25, Community Meeting Analysis.

<sup>17</sup> The Lynn Center Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>

<sup>18</sup> Item 31, Instructions to Post Proposal; Item 32, Invitation for Comments; Item 33, Proposal; Item 36, Round Date Stamped Proposals and Invitations for Comments.

<sup>19</sup> Item 40, Analysis of Comments.

<sup>20</sup> Item 38, Proposal Comments and Postal Service Response Letters.

<sup>21</sup> Item 49, Round Date Stamped Final Determination Cover Sheets.

convenience of rural delivery and retail service); the need for operation efficiency; minimal impact upon the community; and the expected financial savings, the Postal Service issued the Final Determination. Regular and effective postal services will continue to be provided to the Andover community in a cost-effective manner upon implementation of the final determination.

### **Analysis**

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

#### **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Andover Post Office on postal services provided to Andover customers. The closing is premised upon providing regular and effective postal services to Andover customers.

In his Participant statement, Petitioner challenges the Postal Service's conclusion that the proposal would "save time and energy for customers who drive to the post office to pick up mail." He notes that customers will have to drive to the cluster box units ("CBUs") and, in some cases, the Lynn Center Post Office. He also expresses a concern that there will be no one at the CBUs to assist customers. The CBUs will be located in accordance with the requirement in POM 631.44 that "[b]oxes must be safely located so that customers are not required to travel an unreasonable distance to obtain their mail." Further, services available at the Post Office will be available from the carrier so it is not necessary for customers to travel to a Post Office for service. Most transactions

do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience. Stamps are also available at many stores and gas stations where customers may already shop, online at [usps.com](https://usps.com), or by calling 1-800-STAMP-24.<sup>22</sup>

Petitioner expressed a concern regarding mail security. The Postal Service sent a questionnaire to the Postal Inspection Service and the Henry County Sheriff concerning mail theft and vandalism in the area.<sup>23</sup> The responses indicate that there have only been four reports of mail theft or vandalism on record.<sup>24</sup> In any event, mail will be delivered to CBUs, which are secure free-standing units of individually locked mail compartments installed and maintained by the Postal Service at no cost to the customer.<sup>25</sup> Further, P.O. Boxes will be available at the Lynn Center Post Office, which has lobby hours from 6:00 a.m. to 7:00 p.m. Monday through Saturday.<sup>26</sup> The Postal Service is vigilant to mail theft and vandalism and will provide service to Andover Post Office customers to help ensure mail security.

With respect to Petitioner's concerns regarding timing of mail delivery, the Postal Service affirmed in the Final Determination that its top priority is to provide mail service in the most efficient manner possible. Since delivery costs are one of the Postal Service's biggest expenses, careful thought is given to the structure of each route. A customer's location on a carrier's line of travel determines the

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<sup>22</sup> FD, at 4; Item 33, Proposal, at 3-4.

<sup>23</sup> Item 14, Inspection Service/Local Law Enforcement Vandalism Reports.

<sup>24</sup> Item 14, Inspection Service/Local Law Enforcement Vandalism Reports, at 2.

<sup>25</sup> FD, at 2; Item 33, Proposal, at 2.

<sup>26</sup> FD, at 2; Item 18, Form 4920; Item 33, Proposal, at 2.

time of day mail is delivered. Early delivery to every customer is not possible because, no matter how a route is structured, somebody must be last. However, the Postal Service carefully considers the volume of mail for each route so it can deliver the greatest amount of mail at the earliest possible hour. For customers who prefer earlier mail delivery, the Postal Service offers alternative delivery services, such as Post Office box service that provides access to mail earlier and throughout the day.<sup>27</sup>

Petitioner also states that some businesses depend on weighing packages for shipping. As previously explained by the Postal Service, customers may contact the Lynn Center Post Office to request package pick-up from their carrier. For letters, flats or packages up to 13 ounces, the carrier will estimate the cost and provide a receipt for any money received. On the following day, the carrier will provide change or bill for the amount over the estimate. Packages over 13 ounces may be picked up if the postage was printed online or with a traceable meter. Customers may also drop off packages for mailing at the Lynn Center Post Office.<sup>28</sup>

Petitioner is concerned about the burden to businesses and residents in having to change their addresses on all of their documents. Customers that choose to receive their mail in a CBU will be assigned a 911 address, but they can continue to use the community name and ZIP Code in the address.<sup>29</sup> Mail will be forwarded in accordance with Postal Service regulations. Change of

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<sup>27</sup> FD, at 6

<sup>28</sup> FD, at 2-3; Item 33, Proposal, at 2.

<sup>29</sup> FD, at 4 and 9; Item 33, Proposal at 7-8; Item 50, Memo to Record.

address forms are available online at [usps.com](http://usps.com) or from the Postal Service to assist customers in notifying correspondents of the change.<sup>30</sup>

Petitioner contends that rural route delivery to CBUs will create difficulties for people with disabilities and the elderly. Carrier service is beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to CBUs. Customers do not have to make a special trip to the Post Office for service. Moreover, special provisions are made for hardship cases or special customer needs. To request an exception for hardship delivery, customers may contact the Lynn Center postmaster for more information.<sup>31</sup>

The Petitioner is also concerned that medication and other perishables delivered to CBUs will be damaged by hot and cold temperatures. The Postal Service delivers medicine and perishables to customers throughout the United States. The Postal Service offers various solutions to deal with these issues, such as accountable mail services. Packages that have special delivery instructions, such as medicine, are marked by the mailer as to whether the package can be left in a particular location. The Postal Service will adhere to those instructions.<sup>32</sup>

Finally, Petitioner is concerned that the Postal Service has not provided details regarding the CBU locations. This concern was not raised during the discontinuance process so it was not specifically addressed in the Final

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<sup>30</sup> FD, at 4.

<sup>31</sup> FD, at 5; Item 33, Proposal, at 5.

<sup>32</sup> FD, at 6.



Determination. However, there are several locations in Andover that would be appropriate for installation of CBUs.<sup>33</sup> The CBUs will be placed on public property in a location determined by city officials in accordance with the requirement in POM 631.44 that "[b]oxes must be safely located so that customers are not required to travel an unreasonable distance to obtain their mail."<sup>34</sup> With regard to Petitioner's concern about senior citizens, the Postal Service explained that special provisions will be made for hardship cases or special customer needs.<sup>35</sup> The Postal Service will maintain the CBUs at no cost to the customers.<sup>36</sup>

Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route delivery emanating from the Lynn Center Post Office. In addition to rural route delivery, which is the recommended alternate service, customers may also receive postal services, including P.O. Box service, at the Lynn Center Post Office, which is located three miles away. The window service hours of the Lynn Center Post Office are from 7:00 a.m. to 11:00 a.m. and 1:30 p.m. to 5:00 p.m., Monday through Friday and from 7:00 a.m. to 9:00 a.m. on Saturdays.<sup>37</sup> Thus, the Postal Service has properly concluded that all Andover customers will continue to receive regular and effective service via rural route service.

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<sup>33</sup> Item 50, Memo to Record.

<sup>34</sup> *Id.*

<sup>35</sup> FD at 5; Item 33, Proposal, at 5.

<sup>36</sup> FD at 2; Item 33, Proposal, at 2.

<sup>37</sup> FD at 2; Item 18, Form 4920; Item 33, Proposal at 2.

### Effect on Community

The Postal Service is obligated to consider the effect of its decision to close the Andover Post Office upon the Andover community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

Andover is an unincorporated community located in Henry County. The community is administered politically by Andover. Police protection is provided by the Henry County Sheriff. Fire protection is provided by the Osco/Andover Fire Department.<sup>38</sup> The community is comprised of retirees, farmers, and those who commute to work in nearby communities and work in local businesses.<sup>39</sup> Businesses and organizations include Augustana Lutheran Church, Jenny Lind Chapel, American Legion, Andover Town Hall, Andover Fire Department, Andover Café, Casey's, Central Bank, and Hair Hutch.<sup>40</sup>

Petitioner raises concerns regarding the effect the closure of the Andover Post Office would have on tourists. He says tourists currently use the Post Office to ask for directions, buy stamps, or request a key to historic buildings. With respect to use of the Post Office as a meeting place and community center, the Postal Service previously noted that people may continue to meet informally, socialize, and share information at other businesses, churches, and residences

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<sup>38</sup> FD at 10; Item 16, Community Survey Fact Sheet; Item 33, Proposal at 9.

<sup>39</sup> FD at 10; Item 33, Proposal at 9.

<sup>40</sup> *Id.*

in town.<sup>41</sup> Further, stamps and other retail services will be available at the Lynn Center Post Office located three miles away.<sup>42</sup>

Petitioner questions conflicting information regarding whether the ZIP code will remain the same. The Postal Service incorrectly stated in the Proposal and Final Determination that "[t]he proposed change of the ZIP code is necessary due to 911 addressing requirement."<sup>43</sup> If the community had elected delivery to curbside rural mailboxes, the ZIP code would have changed to 61262.<sup>44</sup> However, since the decision was made to deliver mail to CBUs, customer addresses will use the community name of Andover and retain the 61233 ZIP code.<sup>45</sup>

Finally, the Petitioner is concerned that the closure of the Andover Post Office will hurt local businesses. However, there is no indication that the Andover business community will be adversely affected. Businesses generally require regular and effective postal services and these will continue to be provided to the Andover business community. Further, questionnaire responses indicate that customers will continue to use local businesses if the Andover Post Office is closed.<sup>46</sup>

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<sup>41</sup> FD at 6 and 11; Item 33, Proposal at 11.

<sup>42</sup> FD at 13; Item 33, Proposal at 12.

<sup>43</sup> Item 50, Memo to Record.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> FD at 11-12; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters; Item 33, Proposal at 10-11.

The Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Andover Post Office on the community served by the Andover Post Office.

### **Economic Savings**

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route service would cost the Postal Service substantially less than maintaining the Andover Post Office and would still provide regular and effective service.<sup>47</sup> The estimated annual savings associated with discontinuing the Andover Post Office are \$22,330.<sup>48</sup> Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).<sup>49</sup>

Petitioner argues that the estimated hours added to the rural route to serve Andover customers is too low. However, the Postal Service appropriately applied its standard financial analysis which takes into account the following cost drivers: the number of additional boxes to be added to the rural route; the additional volume that may be expected per additional box; the number of additional miles to be added to the route; and the total additional annual hours that will be required to service the route.<sup>50</sup> The Postal Service's approach is both

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<sup>47</sup> FD at 13; Item 21, Cover Letter for Questionnaire; Item 33, Proposal at 12.

<sup>48</sup> FD at 12; Item 29, Proposal Checklist at 2; Item 33, Proposal at 12.

<sup>49</sup> *Id.*

<sup>50</sup> Item 17, Cost Analysis, at 2.

defensible and reasonable; moreover it is efficient while adding comparability across discontinuance studies.

Petitioner also questions the Postal Service's economic savings calculation as it pertains to the cost of CBUs. The Postal Service considered the cost of installing CBUs, which it estimated to be approximately \$20,800.<sup>51</sup> The cost of leasing space for the CBUs was not included in the cost estimate because the CBUs will be placed on public property.<sup>52</sup> The Postal Service properly concluded that the costs associated with rural route delivery service to CBUs would be substantially less than the cost of continuing to lease a building for the Andover Post Office and filling an EAS-11 Postmaster position.<sup>53</sup>

Finally, Petitioner suggests that the Postal Service should have considered the economic savings of closing the Lynn Center Post Office instead of the Andover Post Office. The record explains, however, that Post Offices are reviewed on a case-by-case basis.<sup>54</sup> When there is a vacancy in a small office, it is customary to conduct a study of the business activity and investigate the feasibility of providing service by alternative means.<sup>55</sup> In this case, it was determined that the Postal Service could continue to provide a maximum degree of effective and regular postal services to the community while realizing an

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<sup>51</sup> FD at 12; Item 15, Post Office Fact Sheet, at 2; Item 33, Proposal, at 12.

<sup>52</sup> Item 50, Memo to Record.

<sup>53</sup> FD at 12 and 15; Item 33, Proposal, at 12.

<sup>54</sup> FD at 3 and 7; Item 33, Proposal, at 6.

<sup>55</sup> *Id.*

estimated cost savings of \$22,300 annually after discontinuation of the Smyrna Post Office.<sup>56</sup>

The Postal Service determined that rural route service is more cost-effective than maintaining the Andover postal facility and postmaster position.<sup>57</sup> The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

### **Conclusion**

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Andover Post Office on the provision of postal services and on the Andover community, as well as the economic savings that would result from the proposed closing, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Andover customers.<sup>58</sup> The Postal Service respectfully submits that this conclusion is consistent with

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<sup>56</sup> FD at 10 and 13; Item 33, Proposal, at 9 and 12.

<sup>57</sup> FD at 12-13.

<sup>58</sup> FD at 2.

and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A).

Accordingly, the Postal Service respectfully requests that the determination to close the Andover Post Office be affirmed.

Respectfully submitted,

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